



Financial Capital

We maintain an **optimal capital structure** through well-timed fundraises and the refinancing of our debts. We judiciously allocate capital across our business to strengthen the balance sheet and to enhance efficiencies across our operations for **long-term value creation for our stakeholders.**

Source

Financial capital (includes shareholders' equity and debt) is a critical input in executing our business activities and in generating, accessing and deploying other forms of capital.

Inputs

Our financial strength is based on the primary sources of financial capital such as shareholders' equity, internally generated cash flows and debt raised from capital market. These resources enable us to maintain our network and functional units, fund expansion and modernisation. The components of the debt portfolio are determined by the Company's senior management in a manner to achieve an optimal debt-mix based on its overall objectives and future market expectations.

This year we witnessed a continued momentum for fund raising and we saw phenomenal confidence from the Investors. The Company raised US\$750 million through 10-year Senior bonds. The yield on the above 10-year bonds is the lowest ever for Airtel.

Highlights of Financial Performance

The Company reported the highest ever revenue of ₹643,259 million for the financial year ending March 31, 2021 with splendid growth rate of 18.4%, backed by strong customer additions. Despite challenging conditions, the Company continued its focus on operational efficiencies which propelled the EBITDA margins from 38.0% to 44.5%. The Company continued to invest in its core businesses and develop new streams of revenue.

Pillars to improve financial performance

Customer – Our culture of customer obsession and differential service has helped us win quality customers and propelled our revenue.

War on Waste – Structural cost containment through our flagship "War on Waste" program helped in driving operational efficiencies and improving EBITDA margin.

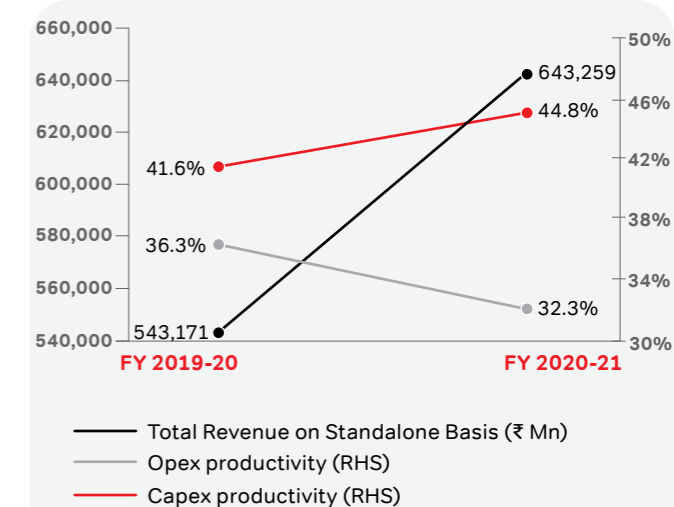
Digital Platform – Strong focus on digital platform by delivering best in class customer experience has helped in building a new revenue streams to the portfolio.

Capex Investment – We continue to invest in the best of emerging technologies and network infrastructure to make our networks future ready.

Airtel's three line graph – Key enabler for driving value creation

At the core of the value creation process is Airtel's three line graph which measures:

- Revenue**
- Opex productivity** Operating expenses/revenues
- Capex productivity** Revenue/cumulative capex



Outcomes

Value creation

EBITDA margin (%)

44.5%

38.0% in FY 2019-20

Net Debt to EBITDA Ratio (times)

3.3

3.8 in FY 2019-20

PAT (₹ in Mn)

(251,976)

(360,882) in FY 2019-20

Cash generated from operation (₹ in Mn)

343,923

40,264 in FY 2019-20

Contribution to stakeholders

Market Capitalisation – BSE (₹ in Bn)

2,841

2,404 in FY 2019-20

Contribution to exchequer (₹ in Mn)

330,282

434,878 in FY 2019-20